

No: 96-12
Date: January 23, 1996

FEDERAL HOUSING FINANCE BOARD

Amendment to the Financing Corporation (FICO)
1996 Non-administrative Expense Budget

WHEREAS, the Board of Directors of the Federal Housing Finance Board (Finance Board) approved an amendment to FICO's 1995 non-administrative expense budget of \$50,000 for an independent third party review by J.P. Morgan & Company of a proposal by Salomon Brothers, Inc. to swap the securities in FICO's Segregated Account for lower cost and better matched securities;

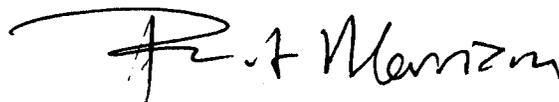
WHEREAS, FICO was unable to finalize the contract with J.P. Morgan & Company for the review prior to year-end 1995;

WHEREAS, pursuant to section 950.8(d) of the Finance Board regulations, FICO has requested that the Finance Board approve an increase in its 1996 non-administrative budget to cover the \$50,000 cost of the J.P. Morgan 61 Company analysis.

NOW, THEREFORE, BE IT RESOLVED, that the Finance Board hereby approves FICO's request for an increase of \$50,000 in its non-administrative expense budget to fund an independent third party market review of the Salomon Brothers proposal by J.P. Morgan & Company.

FURTHER RESOLVED that the Salomon Brothers proposal shall not be implemented without Finance Board approval.

By the Board of Directors of
Federal Housing Finance Board



Bruce A. Morrison, Chairman